

SAN BENITO COUNTY ECONOMIC FORECAST

San Benito County is located in the Coast Range Mountains of Central California. San Benito has one of the highest rates in California of workers who reside in the county but commute outside the county for work, principally to Santa Clara County. San Benito County has a population of 58,129 people and 17,161 wage and salary jobs. The per capita income in San Benito County is \$34,293, and the average salary per worker is \$39,675.

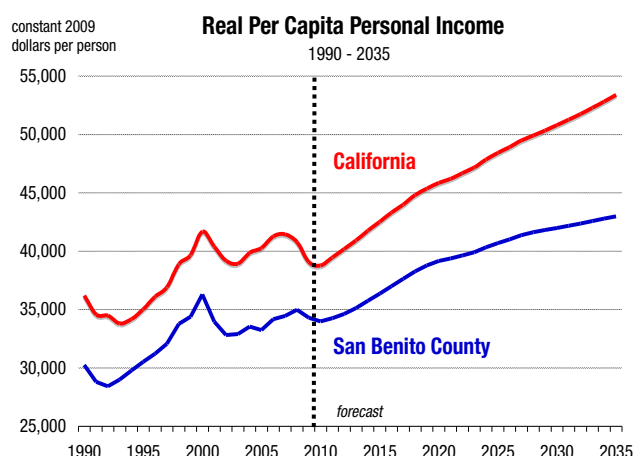
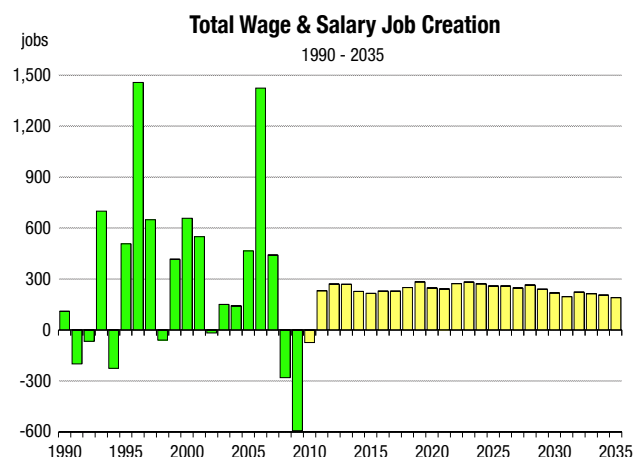
In 2009, employment declined by 600 jobs, or 3.3 percent in San Benito County. The farm sector gained 150 jobs representing an increase of 6.3 percent. The unemployment rate rose to 14.6 percent.

During 2009 the only non-farm sectors that created any new jobs were government and education and health care, though combined they only added an estimated 16 jobs. The contraction of employment was dominated by the construction sector (-270 jobs), the manufacturing sector (-190 jobs) and the retail trade sector (-110 jobs).

Population growth in San Benito County was 0.9 percent in 2009. Nearly two thirds of the population lives in Hollister, which grew 0.5 percent from January 2008 to January 2009. There were an estimated 107 net migrants leaving the county in 2009. Over the past five years, there have been nearly 1,900 more out-migrants than in-migrants, an unusual trend for a county that has historically had positive net migration.

FORECAST HIGHLIGHTS

- Job growth remains depressed at -0.4 percent in 2010. Between 2010 and 2015, the annual growth rate is forecast to average 1.4 percent. Non-farm employment will increase by slightly more, at an average of 1.6 percent per year over the same period.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 1.7 percent per year from 2010 to 2015.
- Between 2010 and 2015, the principle job creation occurs in construction, retail trade, and government. These sectors account for nearly 60 percent of all jobs created in the county between 2010 and 2015.
- The growth of population is forecast to rise 1.3 percent in 2010. Annual growth in the 2010 to 2015 period averages 1.4 percent per year.
- Net migration will turn positive over the next five years. In 2010, approximately 120 migrants are forecast to enter the county. From 2010 to 2015 net migration is expected to average 163 in-migrants per year.

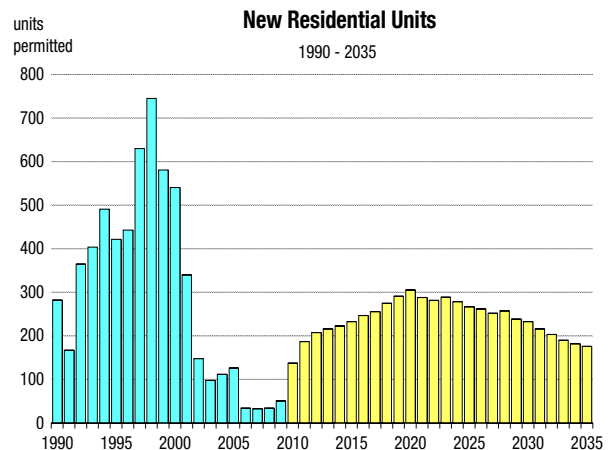
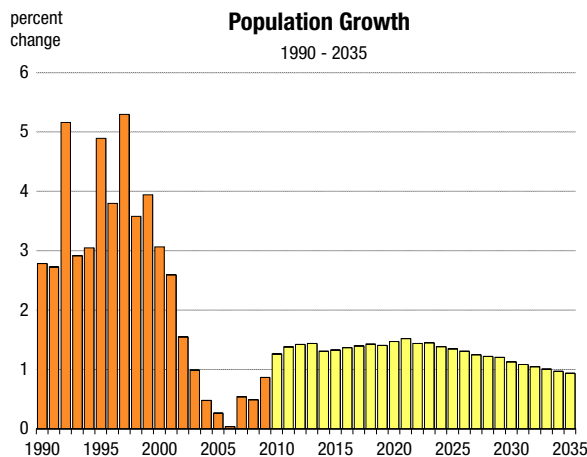


- Real per capita income is forecast to contract 0.9 percent in 2010, but reverse in 2011. Between 2010 and 2015, the growth in real per capita income will average approximately 1.4 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to decline 3.7 percent in 2010. Between 2010 and 2015 real taxable sales are forecast to increase at an average rate of 1.2 percent per year.
- Industrial production is forecast to increase 4.6 percent in 2010. Between 2010 and 2015 the growth of industrial production averages 2.9 percent per year.
- Farm production is forecast to increase by 1.1 percent per year between 2010 and 2015. The principal crop in the county is lettuce.

San Benito County Economic Forecast

2002-2009 History, 2010-2035 Forecast

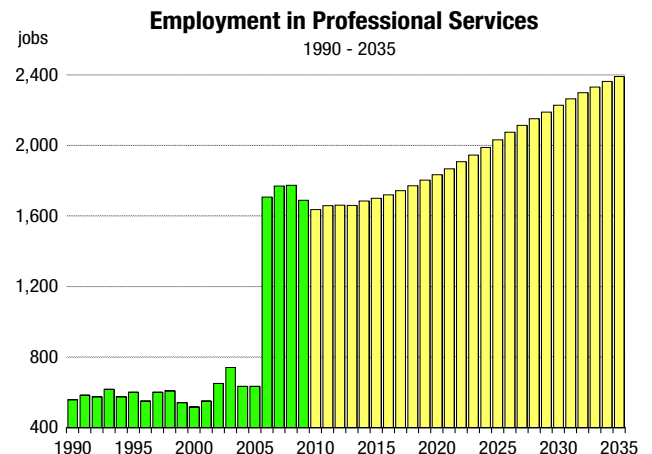
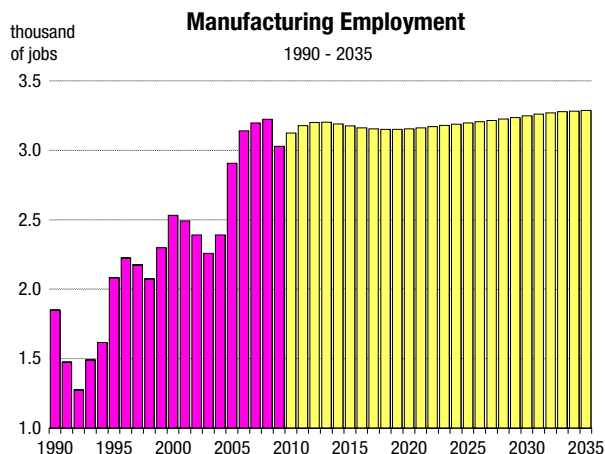
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	56,037	152	53.6	16.6	148	\$0.47	\$1.58	\$32,818	1.6	250.9	271	8.9
2003	56,591	-81	52.9	16.8	98	\$0.50	\$1.62	\$32,901	1.8	273.8	275	9.9
2004	56,863	-319	56.2	16.9	112	\$0.53	\$1.68	\$33,527	1.2	301.5	303	9.6
2005	57,014	-491	55.9	17.0	126	\$0.54	\$1.70	\$33,246	2.0	298.9	381	8.1
2006	57,037	-623	56.3	17.0	34	\$0.54	\$1.81	\$34,169	3.2	291.9	442	7.1
2007	57,347	-321	55.7	17.1	33	\$0.55	\$1.90	\$34,450	3.4	305.2	457	7.2
2008	57,629	-326	55.0	17.1	34	\$0.53	\$1.99	\$34,983	3.0	265.1	470	9.6
2009	58,129	-107	54.0	17.1	51	\$0.51	\$1.99	\$34,293	0.8	260.6	460	14.6
2010	58,862	116	54.1	17.2	137	\$0.50	\$2.04	\$33,974	2.1	269.3	481	14.0
2011	59,675	180	54.5	17.3	187	\$0.50	\$2.14	\$34,265	2.4	275.0	496	12.8
2012	60,524	202	55.1	17.5	208	\$0.51	\$2.24	\$34,612	2.1	278.9	515	12.0
2013	61,394	210	55.9	17.7	216	\$0.53	\$2.36	\$35,132	2.2	281.5	531	11.2
2014	62,197	130	56.7	17.9	223	\$0.56	\$2.48	\$35,733	2.2	283.4	543	10.3
2015	63,022	140	57.7	18.1	233	\$0.59	\$2.62	\$36,349	2.2	284.9	556	9.6
2016	63,885	166	58.6	18.4	247	\$0.63	\$2.76	\$36,999	2.2	286.0	566	9.2
2017	64,778	183	59.7	18.6	256	\$0.67	\$2.91	\$37,628	2.2	286.9	579	9.1
2018	65,701	202	60.6	18.9	275	\$0.71	\$3.06	\$38,277	2.2	287.7	593	8.9
2019	66,624	191	61.6	19.2	291	\$0.75	\$3.22	\$38,773	2.2	288.4	611	8.6
2020	67,605	238	62.6	19.5	306	\$0.80	\$3.37	\$39,171	2.1	289.0	632	8.4
2021	68,633	276	63.6	19.8	288	\$0.85	\$3.52	\$39,365	2.5	289.6	652	8.3
2022	69,621	228	64.6	20.1	282	\$0.90	\$3.69	\$39,627	2.6	290.1	671	8.1
2023	70,633	246	65.5	20.4	289	\$0.95	\$3.87	\$39,914	2.5	290.7	690	7.9
2024	71,611	207	66.4	20.6	279	\$1.00	\$4.06	\$40,338	2.4	291.2	711	7.8
2025	72,577	190	67.2	20.9	267	\$1.06	\$4.25	\$40,693	2.5	291.7	732	7.6
2026	73,526	172	68.0	21.2	262	\$1.12	\$4.45	\$41,004	2.5	292.2	754	7.6
2027	74,446	141	68.7	21.5	252	\$1.18	\$4.66	\$41,368	2.6	292.6	777	7.4
2028	75,354	129	69.4	21.7	258	\$1.24	\$4.87	\$41,616	2.8	293.1	801	7.3
2029	76,261	129	70.2	22.0	238	\$1.31	\$5.09	\$41,806	2.7	293.5	826	7.2
2030	77,123	84	70.8	22.3	233	\$1.37	\$5.31	\$41,985	2.7	293.9	852	7.1
2031	77,961	62	71.5	22.5	216	\$1.44	\$5.53	\$42,166	2.7	294.3	881	6.9
2032	78,778	43	72.2	22.7	203	\$1.51	\$5.77	\$42,370	2.7	294.7	910	6.9
2033	79,572	19	73.0	22.9	190	\$1.59	\$6.01	\$42,576	2.7	295.0	940	7.0
2034	80,344	-2	73.8	23.1	182	\$1.66	\$6.26	\$42,782	2.7	295.3	971	7.1
2035	81,098	-19	74.6	23.3	176	\$1.74	\$6.52	\$42,989	2.7	295.7	1002	7.1

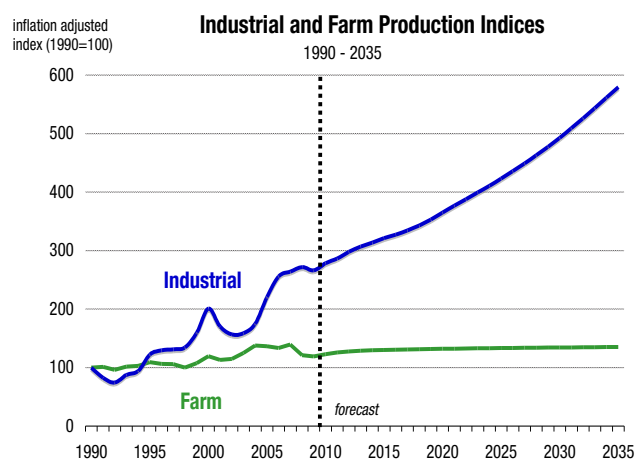
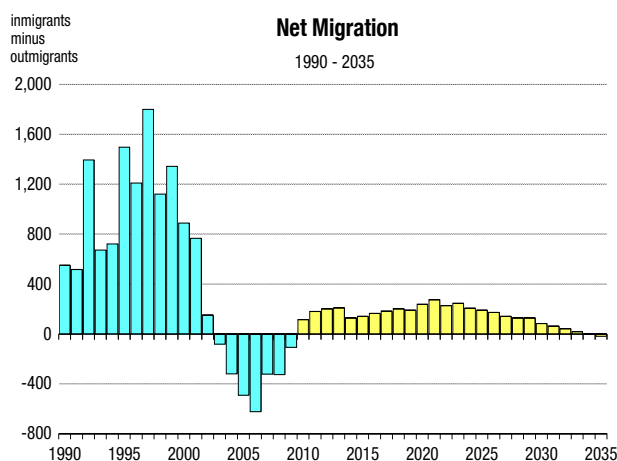
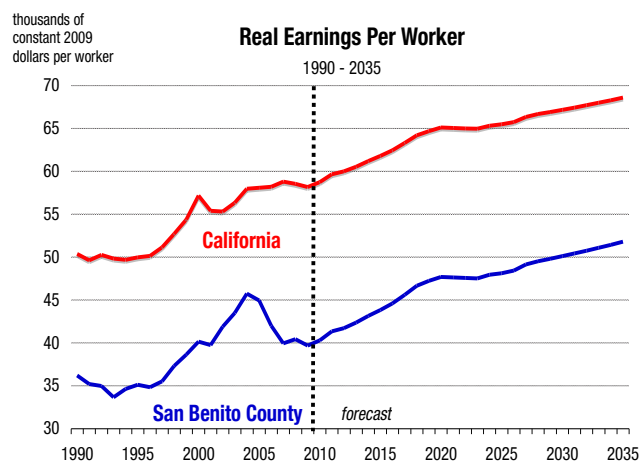
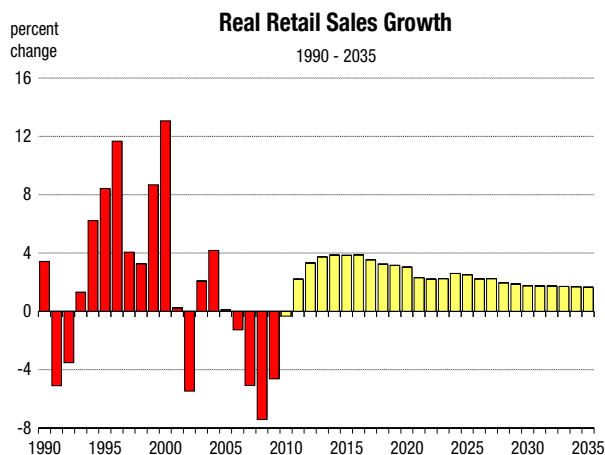


San Benito County Employment Forecast

2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2002	15.4	2.44	1.27	2.39	0.20	2.38	0.40	0.65	0.12	0.60	1.42	3.04
2003	15.6	2.38	1.44	2.26	0.24	2.33	0.30	0.74	0.10	0.60	1.50	3.05
2004	15.7	2.57	1.58	2.39	0.28	2.30	0.30	0.63	0.10	0.63	1.48	3.01
2005	16.2	2.48	1.78	2.91	0.24	2.22	0.30	0.63	0.09	0.70	1.38	3.02
2006	17.6	2.44	1.88	3.14	0.26	2.26	0.38	1.71	0.10	0.68	1.43	2.84
2007	18.0	2.62	1.89	3.20	0.27	2.29	0.38	1.77	0.11	0.70	1.46	2.87
2008	17.8	2.40	1.77	3.22	0.27	2.26	0.36	1.78	0.11	0.73	1.49	2.89
2009	17.2	2.55	1.50	3.03	0.25	2.12	0.34	1.69	0.11	0.74	1.47	2.89
2010	17.1	2.51	1.46	3.12	0.26	2.10	0.34	1.64	0.11	0.74	1.48	2.88
2011	17.3	2.54	1.51	3.18	0.27	2.12	0.33	1.66	0.12	0.75	1.49	2.89
2012	17.6	2.55	1.60	3.20	0.29	2.17	0.33	1.66	0.12	0.76	1.50	2.93
2013	17.9	2.56	1.70	3.20	0.30	2.24	0.33	1.66	0.13	0.77	1.51	2.96
2014	18.1	2.56	1.74	3.19	0.32	2.32	0.33	1.68	0.14	0.78	1.53	3.00
2015	18.3	2.56	1.77	3.18	0.33	2.40	0.33	1.70	0.14	0.79	1.54	3.04
2016	18.5	2.57	1.80	3.16	0.34	2.48	0.33	1.72	0.15	0.80	1.56	3.08
2017	18.8	2.58	1.83	3.15	0.35	2.56	0.33	1.74	0.16	0.82	1.58	3.12
2018	19.0	2.59	1.85	3.15	0.36	2.63	0.33	1.77	0.16	0.83	1.59	3.17
2019	19.3	2.60	1.89	3.15	0.38	2.70	0.33	1.80	0.17	0.85	1.61	3.23
2020	19.5	2.60	1.92	3.16	0.39	2.77	0.33	1.83	0.17	0.87	1.63	3.28
2021	19.8	2.59	1.95	3.16	0.40	2.83	0.33	1.87	0.18	0.89	1.64	3.34
2022	20.1	2.60	1.98	3.17	0.41	2.89	0.33	1.91	0.18	0.91	1.65	3.39
2023	20.3	2.62	2.03	3.18	0.42	2.95	0.33	1.95	0.19	0.93	1.66	3.44
2024	20.6	2.63	2.05	3.19	0.44	3.00	0.34	1.99	0.19	0.95	1.68	3.49
2025	20.9	2.64	2.08	3.20	0.44	3.06	0.34	2.03	0.20	0.96	1.69	3.54
2026	21.1	2.65	2.12	3.21	0.45	3.12	0.34	2.07	0.21	0.98	1.70	3.59
2027	21.4	2.65	2.16	3.22	0.46	3.18	0.34	2.11	0.21	1.00	1.71	3.63
2028	21.6	2.66	2.22	3.23	0.47	3.23	0.34	2.15	0.22	1.02	1.72	3.68
2029	21.9	2.67	2.26	3.24	0.48	3.28	0.34	2.19	0.22	1.03	1.73	3.72
2030	22.1	2.66	2.30	3.25	0.48	3.33	0.34	2.23	0.23	1.05	1.74	3.75
2031	22.3	2.65	2.33	3.26	0.49	3.37	0.34	2.26	0.24	1.06	1.75	3.79
2032	22.5	2.67	2.36	3.27	0.50	3.42	0.34	2.30	0.24	1.07	1.76	3.82
2033	22.7	2.69	2.39	3.28	0.51	3.47	0.34	2.33	0.25	1.08	1.77	3.85
2034	22.9	2.70	2.42	3.28	0.52	3.51	0.34	2.36	0.25	1.09	1.78	3.88
2035	23.1	2.71	2.46	3.29	0.52	3.56	0.34	2.39	0.26	1.10	1.79	3.91





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	18.2 %
Expected job growth:	7.1 %
Fastest growing jobs sector:	Information
Expected personal income growth:	14.6 %

Expected population growth:	7.1 %
Net migration to account for:	20.7 %
Expected growth in number of vehicles:	6.5 %

Demographics (2009)

Unemployment rate (December):	18.7 %
County Rank* in California (58 counties):	51st
Working age (16-64) population:	65.7 %

Population with B.A. Degree or higher:	17.5 %
Median Home Selling Price:	\$265,893
Median Household Income:	\$72,206

Quality of Life

Violent Crime rate (2008):	422 per 100,000 persons
County Rank* in California (58 counties):	31st
Average Commute Time to work (2009):	36.5 minutes

High School drop out rate (2008):	14.7 %
Households at/below poverty line:	6.8 %

* The county ranked 1st corresponds to the lowest rate in California